

Comments Regarding San Diego Charter’s Coverage within the San Diego Municipal Code

Provided below are the citations where selected portions of the Charter—as it applies to contracts—are addressed in the San Diego Municipal Code.

By

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Section 94: Contracts

In the construction, reconstruction or repair of public buildings, streets, utilities and other public works, when the expenditure therefor shall exceed the sum established by ordinance of the City Council, the same shall be done by written contract, except as otherwise provided in this Charter, and the Council, on the recommendation of the Manager or the head of the Department in charge if not under the Manager’s jurisdiction, shall let the same to the lowest responsible and reliable bidder, not less than ten days after advertising for one day in the official newspaper of the City for sealed proposals for the work contemplated. If the cost of said public contract work is of a lesser amount than the figure established by ordinance of the City Council, the Manager may let said contract without advertising for bids, but not until the Purchasing Agent of the City shall have secured competitive prices from contractors interested, which shall be taken under consideration before said contract is let. The Council may, however, establish by ordinance an amount below which the Manager may order the performance of any construction, reconstruction or repair work by appropriate City forces without approval by Council. When such Council approval is required, the Manager’s recommendation shall indicate justification for the use of City forces and shall indicate whether the work can be done by City forces more economically than if let by contract.

Commented [RA1]: Covered in SDMC § 22.3008
Invitations to Bid, Requests for Qualifications and Proposals

Commented [RA2]: Covered in SDMC § 22.3106
Advertising of Public Works Contracts

Commented [RA3]: Covered in SDMC §22.3102 City
Manager’s Authority to Award Public Works Contracts

Commented [RA4]: Covered in SDMC § 22.3105 Use of
City Forces

In case of a great public calamity, such as extraordinary fire, flood, storm, epidemic or other disaster the Council may, by resolution passed by a vote of two-thirds of the members elected to the Council, determine and declare that the public interest or necessity demands the immediate expenditure of public money to safeguard life, health or property, and thereupon they may proceed, without advertising for bids or receiving the same, to expend, or enter into a contract involving the expenditure of any sum required in such emergency, on hand in the City treasury and available for such purpose. All contracts before execution shall be approved as to form and legality by the City Attorney.

Commented [RA5]: Covered in SDMC §22.3108
Exceptions to Advertisement and Competitive Award of
Public Works Contracts

Each bidder shall furnish with his bid such security or deposit insuring the execution of the contract by him as shall be specified by the Council or as provided by general law.

For contracts exceeding \$100,000.00, the Council shall require each contractor to insure the faithful performance of his contract by delivering to the City a surety bond in an amount specified by the Council, executed by a surety company authorized to do business in the State of California; provided, however, that in all contracts the Council shall require the retention of sufficient payments, under the contract to insure the protection of the City against labor or material liens.

Commented [RA6]: Covered in SDMC § 22.3005
Insurance and Bonds

The Council, on the recommendation of the Manager, or the Head of the Department not under the jurisdiction of the Manager, may reject any and all bids and readvertise for bids. The Council may provide that no contract shall be awarded to any person, firm or corporation if prison or alien labor is to be employed in performing such contract, or if the wage schedule for employees engaged in performing such contract is based on more than eight hours of labor per day. Any contract may be let for a gross price or on a unit basis and may provide for liquidated damages to the City for every day the contract is uncompleted beyond a specified date. It shall be competent in awarding any contract to compare bids on the basis of time completion, provided that when any award has been made in consideration, in whole or in part, of the relative time estimates of bidders for the completion of the work, the performance in accordance with such time limits shall be secured by a surety bond as hereinabove provided with adequate sureties and penalties, and provided further, that for any contract awarded solely or partially on a specified time for completion the Council shall not extend such time limits unless such extension be recommended by the Manager and the Head of the Department concerned.

Commented [RA7]: Covered in SDMC § 22.3015 Rejection
of Bids and Proposals

Commented [RA8]: Partially covered under:
§ 22.3500: Nondiscrimination in Contracting
§ 22.4200 Living Wage Ordinance
§22.4400 Fair and Open Competition in Construction

Commented [RA9]: Covered by SDMC:
§22.3003 [Contract] Definitions
§22.3100 Public Works Contracts

No officer, whether elected or appointed, of The City of San Diego shall be or become directly or indirectly interested in, or in the performance of, any contract with or for The City of San Diego, or in the purchase or lease of any property, real or personal, belonging to or taken by said City or which shall be sold for taxes or assessments or by virtue of legal process or suit of said City. Any person willfully violating this section of the Charter shall be guilty of a misdemeanor and shall immediately forfeit his office and be thereafter forever barred and disqualified from holding any elective or appointive office in the service of the City. No officer, whether elected or appointed, shall be construed to

Commented [RA10]: Covered in SDMC § 22.3005
Insurance and Bonds

have an interest within the meaning of this section unless the contract, purchase, lease, or sale shall be with or for the benefit of the office, board, department, bureau or division with which said officer is directly connected in the performance of his duties and in which he or the office, board, department, bureau or division he represents exercises legislative, administrative or quasi-judicial authority in the letting of or performance under said contract, purchase, lease or sale.

All contracts entered into in violation of this Section shall be void and shall not be enforceable against said City; provided, however, that officers of this municipality may own stock in public utility service corporations and the City permitted to contract for public utility service when the rates for such service are fixed by law or by virtue of the Public Utilities Commission of the State of California; and provided further, that no officer shall be prohibited from purchasing the services of any utility whether publicly or privately owned, whether or not the rates are fixed by law or by the Public Utilities Commission of the State of California; and provided further, that in designating any bank as a depository for the funds of said City, any officer interested as a stockholder or otherwise in such bank shall not be deemed to have an interest in such City contract within the meaning of this section, and in each of the cases enumerated herein such contracts shall be valid and enforceable obligations against the municipality.

(Amendment voted 03-13-1945; effective 04-09-1945.)

(Amendment voted 03-11-1947; effective 03-24-1947.)

(Amendment voted 03-10-1953; effective 04-20-1953.)

(Amendment voted 09-17-1963; effective 02-11-1964.)

(Amendment voted 11-04-1975; effective 12-01-1975.)

(Amendment voted 11-02-1976; effective 01-12-1977.)

(Amendment voted 09-20-1977; effective 11-18-1977.)

(Amendment voted 11-03-1998; effective 12-04-1998.)

Prior Language

Section 94.1: Job Order Contracts

Notwithstanding any provisions of this Charter to the contrary, the City is not prohibited from awarding public works contracts on a unit cost basis for all necessary labor, materials, and equipment provided such contracts are secured on a competitive basis as otherwise required by this Charter. The City Council shall establish by ordinance guidelines for the award and use of such unit cost contracts, and may set an amount below which the City Manager may award such contracts.

(Addition voted 11-03-1998; effective 12-04-1998.)

Commented [RA11]: Covered in SDMC §22.3104 City Manager's Authority to Award Task Orders Under Job Order Contracts and 22.3103-4 City Manager's Authority to Award Job Order Contracts

Section 94.2: Design-build Contracts

Notwithstanding any provisions of this Charter to the contrary, the City is not prohibited from awarding contracts for the combined design and construction of public works

pursuant to a process of competitive negotiation, provided the process of competitive negotiation is conducted as may otherwise be required by this Charter or the Municipal Code. The City Council shall establish by ordinance guidelines for the award, use, and evaluation of such design-build contracts, and may set an amount below which the City Manager may award such contracts.

(Addition voted 11-03-1998; effective 12-04-1998.)

Commented [RA12]: Covered in SDMC §22.3300 Design-Build Contracts

Section 94.3: Bond Reimbursement Program

Nothing in this charter shall prohibit the City Council from creating a program by ordinance to reimburse contractors for all or a portion of the premium paid by a contractor for a surety bond required under Section 94 of this Charter. If it creates a bond reimbursement program, the Council shall by ordinance establish eligibility criteria for contractors, levels and thresholds of reimbursement, the process for seeking reimbursement, and other requirements for operation of, and participation in, the program.

(Addition voted 11-03-1998; effective 12-04-1998)

Section 94.4: Construction Manager At Risk Contracts

Notwithstanding any provisions of this Charter to the contrary, the City is not prohibited from awarding contracts for the construction of public works using a combination of: (1) design review and management services; and (2) construction management services procured from a single person or entity for a guaranteed maximum price pursuant to a process of competitive negotiation, provided the process of competitive negotiation is conducted as may otherwise be required by this Charter or the Municipal Code. The City Council shall establish by ordinance guidelines for the award, use, and evaluation of such construction manager at risk contracts, and may set an amount below which the City Manager may award such contracts.

(Addition voted 3-2-2004; effective 07-15-2004)

Commented [RA13]: Covered in SDMC §22.3401 Alternative Procurement of Design-Build Contracts for Qualifying Complex Public Facilities

Section 95: Preference in Accepting Bids

(Amendment voted 04-22-1941; effective 05-08-1941.)

(Repeal voted 09-21-1965; effective 02-10-1966.)

[Prior Language](#)

Section 96: Progressive Payments

(Amendment voted 03-23-1937; effective 04-14-1937.)

(Repeal voted 09-17-1963; effective 02-11-1964.)

[Prior Language](#)

Section 97: Collusion in Bidding

If at any time it shall be found that any party or parties to whom a contract has been awarded has, in presenting any bid or bids, been guilty of collusion with any party or parties in the submission of any bid or for the purpose of preventing any other bid being made, then the contracts so awarded may be declared null and void by the Council and the Council shall thereupon re-advertise for new bids for said work or the incomplete portion thereof. The Council shall debar from future bidding all persons or firms found to be in violation of this Section, or any future firm in which such person is financially interested.

Commented [RA14]: Covered in § 22.3009 Timely and Responsive Submission of Bids and Proposals

Section 98: Alteration in Contracts

Whenever it becomes necessary in the opinion of the City Manager to make alterations in any contract entered into by the City, such alterations shall be made only when authorized by the Council upon written recommendation of the Manager, whenever the cost of such alterations increases the amount of the contract by more than the amount authorized by ordinance passed by the Council. No such alterations, the cost which exceeds the amount authorized by ordinance, shall be valid unless the new price to be paid for any supplies, materials, or work under the altered contract shall have been agreed upon in writing and signed by the contractor and the Manager prior to such authorization by the Council. All other alterations shall be made by agreement in writing between the contractor and the Manager.

(Amendment voted 06-07-1966; effective 06-29-1966.)

(Amendment voted 11-04-1975; effective 12-01-1975.)

Prior Language

Commented [RA15]: Covered in SDMC § 22.3018 Alterations in Contracts

Section 99: Continuing Contracts

The City shall not incur any indebtedness or liability in any manner or for any purpose exceeding in any year the income and revenue provided for such year unless the qualified electors of the City, voting at an election to be held for that purpose, have indicated their assent as then required by the Constitution of the State of California, nor unless before or at the time of incurring such indebtedness provision shall be made for the collection of an annual tax sufficient to pay the interest on such indebtedness as it falls due, and also provision to constitute a sinking fund for the payment of the principal thereof, on or before maturity, which shall not exceed forty years from the time of contracting the same; provided, however, anything to the contrary herein notwithstanding, when two or more propositions for incurring any indebtedness or liability are submitted at the same election, the votes cast for and against each proposition shall be counted separately, and when the qualified electors of the City, voting at an election for that purpose have indicated their assent as then required by the Constitution of the State of California, such proposition shall be deemed adopted. No contract, agreement or obligation extending for a period of more than five years may be authorized except by ordinance adopted by a two-thirds'

majority vote of the members elected to the Council after holding a public hearing which has been duly noticed in the official City newspaper at least ten days in advance.

(Amendment voted 04-22-1941; effective 05-08-1941.)

(Amendment voted 06-04-1968; effective 07-22-1968.)

Prior Language

Section 99.1: Sports Stadium

For the purpose of acquiring, constructing and completing on a site in Mission Valley not to exceed 200 acres and lying westerly of Murphy Canyon Road, northerly of Highway 80 and southerly of Friars Road, and maintaining and operating thereon a coliseum, stadium, sports arena, sports pavilion or other building, or combination thereof, and facilities and appurtenances necessary or convenient therefor, for holding sports events, athletic contests, contests of skill, exhibitions and spectacles and other public meetings, the City may, in addition to other legal methods, enter into contracts, leases or other agreements not to exceed fifty years with any other public agency or agencies, and the provisions of Sections 80 and 99 of this Charter shall not be applicable thereto.
(Addition voted 11-02-1965; effective 02-10-1966.)

General Comments

The Charter is well represented in the Municipal Code with respect to Public Works construction.

However, applicable sections of the Charter are not appropriately included in the Municipal Code with respect to applicable sections in [Chap 02 Art 02 Div. 32, Contracts for Services, Goods, and Consultants](#); specifically, as it applies to Consultant Contracts.